Guide on the Determination of Medical Tax Credits

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South African Revenue Service

Guide on the Determination of Medical Tax Credits

Preface

This guide provides general guidelines regarding the medical scheme fees tax credit and additional medical expenses tax credit for income tax purposes. It does not delve into the precise technical and legal detail that is often associated with tax, and should, therefore, not be used as a legal reference.

This guide is not an "official publication" as defined in section 1 of the Tax Administration Act 28 of 2011 (TA Act) and accordingly does not create a practice generally prevailing under section 5 of that Act. It does not consider the technical and legal detail that is often associated with taxation and should, therefore, not be used as a legal reference.

It is also not a binding general ruling (BGR) under section 89 of the TA Act. Taxpayers requiring an advance tax ruling[1] or a VAT ruling[2] should visit the SARS website at **www.sars.gov.za**[3] for details of the application procedure.

This guide takes into consideration the amendments up to and including the Taxation Laws Amendment Act 5 of 2026, the Tax Administration laws Amendment Act 4 of 2026 and the Rates and Monetary Amounts and Amendment of Revenue Laws Act 3 of 2026, which were all promulgated on 1 April 2026. As the year of assessment of an individual ends on the last day of February, the amendments apply to the years of assessment commencing on or after 1 March 2025 (that is, the 2026 year of assessment).

For more information you may –

- visit SARS website at **www.sars.gov.za**;
- contact the SARS Service Centre (only between 8am and 4.30pm South African time except on Wednesdays when the service centre can be called between 9am and 4.30pm) –
    - if calling locally, on 0800 00 7277; or
    - if calling from abroad, on +27 11 602 2093;
- have a virtual consultation with a SARS consultant by making an appointment via the **SARS website**;
- visit your nearest SARS service centre, after making an appointment via the **SARS website**; or;
- contact your own tax advisor or practitioner.

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1 For further commentary, see the *Comprehensive Guide to Advance Tax Rulings*.

2 For further commentary, see the *VAT Rulings Process Reference Guide*.

3 Navigate to Legal Counsel ⇨ Legal Counsel Publications ⇨ Find a Guide, and select the category Tax Administration (for the guide relating to advanced tax rulings) **or** Value-Added Tax (VAT) (for the guide relating to VAT rulings.

Comments on this guide may be e-mailed to **policycomments@sars.gov.za**.

Leveraged Legal Products
SOUTH AFRICAN REVENUE SERVICE
15 June 2026

DISCLAIMER

Operational information contained in this guide is up to date as at date of publication. However, always refer to the **SARS website** for any guidelines specifically issued on such operational matters.

Hyperlinks, and cross-references display as **bold** text to assist our visually impaired readers. For example, **SARS website**, and see **2.5**.

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Preamble

In this guide, unless the context indicates otherwise –

- **"AMTC"** means the additional medical expenses tax credit;
- **"contributions"** mean fees paid to a medical scheme;
- **"HPCSA"** means the Health Professions Council of South Africa, established under section 2(1) of the Health Professions Act 56 of 1974;
- **"MS Act"** means the Medical Schemes Act 131 of 1998;
- **"MTC"** means the medical scheme fees tax credit;
- **"paragraph"** means a paragraph of the Seventh Schedule to the Act;
- **"registered medical scheme"** means a medical scheme registered under section 24(1) of the MS Act;
- **"section"** means a section of the Act;
- **"the Act"** means the Income Tax Act 58 of 1962;
- **"TA Act"** means the Tax Administration Act 28 of 2011;
- **"the List"** means the List of Qualifying Physical Impairment or Disability Expenditure, revised on 29 October 2021 and published with effect from 1 March 2020; and
- any other word or expression bears the meaning ascribed to it in the Act.

All guides, interpretation notes, forms, returns and tables referred to in this guide are available on the SARS website at **www.sars.gov.za.** Unless indicated otherwise, the latest issue of these documents should be consulted.

1. Background

Expenditure of a personal nature is generally not taken into account in determining a taxpayer's income tax liability, under South Africa's tax system. One of the notable exceptions relates to medical expenditure. South Africa is aligned with the practice in many other countries of granting tax relief for medical expenditure.

There are a number of reasons that tax systems provide such relief. One of the reasons is that serious injury or illness can present taxpayers with disproportionately high medical bills in relation to income, which can be difficult to meet. The resulting hardship affects a number of economic areas for taxpayers, including the ability to settle obligations to the *fiscus*, such as a tax bill.

Historically, South Africa utilised a deduction system to facilitate tax relief for medical expenditure. Allowances, subject to certain limits, were permitted to be deducted from income for contributions to medical schemes, as well as for out-of-pocket medical expenditure.

In 2012, tax relief for medical expenditure began a phased-in conversion from a deduction system to a tax credit system. The reason for the change was to eliminate vertical inequity relating to medical contributions: those at higher marginal tax rates received a larger reduction of tax payable than those on lower marginal rates, in respect of the same amount of medical expenditure. The purpose of the change was to spread tax relief more equally across income groups, thus bringing about horizontal equity – those who pay equal values for medical expenditure receive absolute equal tax relief.

A tax credit system differs from a deduction system in that, instead of permitting a deduction of the medical allowance against a taxpayer's income, the relief is granted as a reduction in tax payable. It therefore operates as a tax rebate.

The new dispensation consists of a two-tier credit system:

1. A **medical scheme fees tax credit (MTC)** that applies in respect of qualifying contributions to a medical scheme.
2. An **additional medical expenses tax credit (AMTC)** that applies in respect of other qualifying medical expenses.

The application of the AMTC system falls into three categories:

(a) Taxpayers aged 65 years and older.

(b) Taxpayer, his or her spouse or his or her child is a person with a disability.

(c) All other taxpayers.

In order to qualify for the AMTC in the "65 years and older" category, the taxpayer must be 65 years or older on the last day of the relevant year of assessment or, had he or she lived, would have been 65 years or older on the last day of the relevant year of assessment.

The two types of credits are dealt with separately in this guide, namely –

(i) **Part A** – the **MTC**, dealing with contributions to a medical scheme; and

(ii) **Part B** – the **AMTC** (which replaced the deduction of the medical allowance)[4] dealing with other qualifying medical expenses, including out-of-pocket expenses.

For ease of reference, the legislation applicable to section 6A (which provides for the MTC) and section 6B (which provides for the AMTC) is quoted in **Annexure A**.

2. Part A – Section 6A rebate (medical scheme fees tax credit)

Taxpayers qualify to claim an MTC in respect of contributions paid by them (or deemed to have been paid by them) to a registered medical scheme. The way that the MTC must be calculated is explained in **2.3**.

2.1 Qualifying persons for whom contributions may be claimed

Only medical scheme contributions paid by a taxpayer for him- or herself, and his or her dependant(s) may be considered in the determination of an MTC.

2.1.1 Meaning of a "dependant"

Before 1 March 2018, a "dependant" for purposes of the MTC was a "dependant" as defined in section 1 of the MS Act. This resulted in a "dependant" for purpose of the MTC and a "dependant" for purpose of the AMTC having different meanings. With effect from years of assessment commencing on or after 1 March 2018, a dependant for purposes of the MTC has the same meaning as a dependant for purposes of the AMTC, that is, a "dependant" as defined in section 6B(1). The amendment ensures alignment of the "dependant" principle under both sections 6A and 6B.

[4] Section 18 (repealed with effect from 1 March 2014).

A "dependant" as defined in section 6B(1) means –

> "(*a*) a person's spouse;
>
> (*b*) a person's child and the child of his or her spouse;
>
> (*c*) any other member of a person's family in respect of whom he or she is liable for family care and support; or
>
> (*d*) any other person who is recognised as a dependant of that person in terms of the rules of a medical scheme or fund contemplated in section 6A(2)(*a*)(i) or (ii),
>
> at the time the fees contemplated in section 6A(2)(*a*) were paid, the amounts contemplated in paragraph (*a*) and (*b*) of the definition of 'qualifying medical expenses' were paid or the expenditure contemplated in paragraph (*c*) of that definition was incurred and paid".

The definition of "dependant" in section 6B(1) includes any other member of a person's family[5] in respect of whom the person is liable for family care and support. The word "liable" indicates that there must be a legal obligation to support the person before they can qualify as a dependant.

2.1.2 The meaning of "spouse"

The definition of "dependant" includes a reference to a person's spouse. "Spouse"[6] in relation to any person, means a person who is the partner of that person –

> "(*a*) in a marriage or customary union recognised in terms of the laws of the Republic;
>
> (*b*) in a union recognised as a marriage in accordance with the tenets of any religion; or
>
> (*c*) in a same-sex or heterosexual union which is intended to be permanent".

2.1.3 The meaning of "child"

The definition of "dependant" also includes a person's child and the child of his or her spouse. A "child"[7] as defined in section 6B(1) means –

> "a person's child or child of his or her spouse who was alive during any portion of the year of assessment, and who on the last day of the year of assessment—
>
> (*a*) was unmarried and was not or would not, had he or she lived, have been—
>
> (i) over the age of 18 years;
>
> (ii) over the age of 21 years and was wholly or partially dependent for maintenance upon the person and has not become liable for the payment of normal tax in respect of such year; or
>
> (iii) over the age of 26 years and was wholly or partially dependent for maintenance upon the person and has not become liable for the payment of normal tax in respect of such year and was a full-time student at an educational institution of a public character; or

---

5 The phrase "any other member of a person's family" includes relations by blood, adoption and marriage etc.

6 Section 1(1).

7 Includes children adopted by any person under the law of the Republic; or under the law of any country other than the Republic, provided the adopted person is, under such law, accorded the status of a legitimate child of the adoptive parent and the adoption was made at a time when the adoptive parent was ordinarily resident in such country [refer to the definition of "child" in section 1(1)].

(*b*) in the case of any other child, was incapacitated by a disability from maintaining himself or herself and was wholly or partially dependent for maintenance upon the person and has not become liable for the payment of normal tax in respect of that year;".

2.2 Person paying the contributions

2.2.1 Contributions paid by the taxpayer

Only qualifying contributions that were paid to a registered medical scheme (and that can be proven to have been paid by a taxpayer either directly or indirectly), will be taken into account in determining the MTC that the taxpayer will be entitled to claim. The taxpayer claiming the contributions must be able to prove that he or she actually **paid** the contributions.

More than one taxpayer could pay a portion of the contributions due to a registered medical scheme. The MTC in such cases must be apportioned between each taxpayer that makes payment.[8] See **2.5** for a discussion and example in this regard.

Qualifying contributions paid by a person other than the taxpayer[9] will **not** be taken into account when the MTC is determined, **except** for –

- qualifying contributions paid by the estate of a deceased taxpayer[10] for the period up to the date of the taxpayer's death. These costs are deemed to have been paid by the taxpayer on the day before his or her death; and
- qualifying contributions paid by an employer of a taxpayer, to the extent that the amount has been included in the income of the taxpayer as a taxable benefit.[11]

Example 1 – Contributions paid on behalf of a member of a medical scheme

Facts:

X, a friend of Y, paid monthly contributions of R1 000 to Excellent Health SA, a registered medical scheme. The amounts were paid for Y and Y's spouse and children, who are not dependants of X.

Result:

Y may not claim an MTC for the amounts paid by X. X may also not claim an MTC for the amounts paid for Y, since the contributions have not been paid for X or a dependant of X.

2.2.2 Contributions to a registered medical scheme

Contributions paid by the taxpayer for him- or herself, and any "dependant" as defined (see **2.1.1**), to a registered medical scheme, may be taken into account when the MTC is determined.

8 Section 6A(3A).
9 See **4** of this guide for practical application.
10 Section 6A(3)(*a*).
11 Section 6A(3)(*b*), read with paragraphs 2(*i*) and 12A of the Seventh Schedule.

Example 2 – Contributions to an unregistered medical scheme

Facts:

AA paid monthly contributions of R2 000 to XYZ Health SA as part of a health insurance plan, which is not a registered medical scheme. The contributions are for AA, AA's mother, AA's spouse and their two children. They are all considered dependants.[12]

Result:

The amounts paid by AA were not paid to a registered medical scheme and, as a result, are not regarded as qualifying contributions.

Example 3 – Contributions to a registered medical scheme

Facts:

AB paid monthly contributions of R2 000 to ABC Health SA, a registered medical scheme. The contributions are for AB, AB's mother, AB's spouse and their two children. They are all considered "dependants" as defined in section 6B(1).

Result:

The total monthly contributions of R24 000 for the relevant year of assessment are regarded as qualifying contributions.

Contributions paid by a taxpayer to *any* registered medical scheme in respect of him- or herself and any dependant will be a qualifying contribution. It is not a requirement that the taxpayer's spouse or dependant, for example, be admitted as a dependant on the *taxpayer's* medical scheme in order for the taxpayer to qualify for an MTC. The requirement is that the taxpayer's spouse or dependant merely be admitted on *any* registered medical scheme.

Example 4 – Contributions to a different medical scheme

Facts:

GE paid monthly contributions of R2 500 to ABC Health SA, a registered medical scheme. The contributions are for GE, GE's spouse and their two children. They are all considered "dependants" as defined in section 6B(1). GE also paid monthly contributions of R1 500 to Good Health Medical Scheme (a registered medical scheme) for his mother who is dependent on GE for family care and support, and is a "dependant" as defined in section 6B(1).

Result:

The total monthly contributions of R48 000, that is, R30 000 (R2 500 × 12) + R18 000 (R1 500 × 12), are regarded as qualifying contributions in GE's hands in that applicable year of assessment.

[12] As defined in section 6B(1).

2.2.3 Contributions that do not qualify for a medical scheme fees tax credit

Certain medical-related arrangements are entered into between taxpayers and entities that are not regulated by the MS Act. Products offered by long-term or short-term insurers, which can include, for example, gap cover or hospital insurance, do **not** qualify for an MTC because they are not paid to a registered medical scheme. Certain bargaining councils[13] establish and operate medical funds.[14] If these funds are not registered under the MS Act, the contributions do not qualify for an MTC.

Example 5 – Contributions to an insurer

Facts:

X paid a monthly premium of R249 to the LMN GAP Cover Fund, underwritten by ABC Life Assurance Ltd. The monthly premium is paid for X and X's spouse. The LMN GAP Cover Fund is not a registered medical scheme.

Result:

The total premiums of R2 988 for the year of assessment are **not** regarded as qualifying contributions, as these amounts have **not** been paid to a registered medical scheme.

2.2.4 Contributions to a foreign medical fund

Contributions paid by the taxpayer to any other fund **registered under provisions similar to the provisions of the MS Act in the laws of any other country**, may also be taken into account in the calculation of the MTC.[15] If a foreign fund is not regulated under legislation that is similar to the MS Act, it will not qualify for an MTC.

Example 6 – Contributions to a foreign medical fund

Facts:

AC lives in South Africa and is liable to tax in South Africa. AC paid monthly contributions of R2 000 to British Health Corporation, which is not registered as a medical scheme under the MS Act, but is registered under similar laws in the United Kingdom. The contributions are for AC, AC's spouse and their children. They are all considered "dependants" as defined in section 6B(1).

Result:

The total monthly contributions of R24 000 for the year of assessment are regarded as qualifying contributions.

2.3 Medical scheme fees tax credit

The MTC is set at a fixed amount **per month**. Since the MTC is a "rebate" and not a "deduction", it is not refundable and cannot exceed the amount of normal tax payable. This is because the MTC is limited to the tax payable **before** the offset of employees' tax and provisional tax. Any excess that is not allowed as a rebate in the current year of assessment, can not be carried forward to any subsequent year of assessment.

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13 Established under section 27 of the Labour Relations Act 66 of 1995 (LRA).

14 Under section 28(1)(*g*) of the LRA.

15 Section 6A(2)(*a*)(ii).

2.4 Amount of medical scheme fees tax credit to be deducted from tax due

The MTC for the year of assessment commencing on or after 1 March 2025 is –[16]

- R364 in respect of benefits to the taxpayer; or in respect of a member of a registered medical scheme or a dependant of that member, where the taxpayer is not a member of a medical scheme or fund;
- R728 in respect of benefits to the taxpayer and one dependant; **or**
- R728 in respect of benefits to two dependants;[17] **and**
- R246 in respect of benefits for every additional dependant,

for each **month** in that year of assessment for which contributions are paid.

If the taxpayer is **not** a member of a registered medical scheme, but pays fees for a dependant person, and that dependant person **is** a member of a registered medical scheme or fund, the MTC of R364 referred to above would also be allowed in the taxpayer's hands. An example of such a case might be where the taxpayer pays fees in respect of a parent that is dependent on him or her.

Example 7 – Determination of MTC

Facts:

AG (aged 45) paid contributions of R5 000 per month to ABC Health SA, a registered medical scheme, during the 2026 year of assessment. The contributions are for AG, and AG's spouse and their two children, who are AG's "dependants" as defined in section 6B(1).

Result:

	R
Contributions made by AG to ABC Health SA (R5 000 × 12)	60 000
MTC calculation	
Taxpayer and one dependant	728
Plus: R246 for every additional dependant (R246 × two children)	492
Total monthly credit	1 220
The MTC to be deducted from normal tax payable by AG for the 2026 year of assessment: (R1 220 × 12)	14 640

R14 640 represents the *maximum* MTC rebate for the year of assessment.

Example 8 – Effect of MTC on tax payable

Facts:

For the 2026 year of assessment, LM (aged 47) paid R1 700 per month in contributions and did not incur any other medical expenses during the year. LM's taxable income for the 2026 year of assessment is R160 000. LM is the main member of the medical scheme and has one dependant registered on that scheme.

[16] Section 6A(2)(*b*).
[17] As above.

Result:

MTC calculation

	R
Total contributions: R1 700 × 12	20 400

MTC: Member and one dependant = R728 per month, thus:
R728 × 12 months = R8 736 *maximum* rebate for the year of assessment

Calculation of net normal tax

Normal tax on R160 000 (at 18%)	28 800
Less: Primary rebate	(17 235)
	11 565
Less: MTC	(8 736)
Net normal tax due	2 829

Example 9 – MTC may not create a refund

Facts:

For the 2026 year of assessment, BA (aged 52) paid R3 500 per month for 10 months in contributions and did not incur any other medical expenses during the year. BA's taxable income is R130 000 for the 2026 year of assessment. BA is the main member of the medical scheme and has two dependants registered on that scheme.

Result:

	R
Contributions paid to the medical scheme for the 2026 year of assessment: R3 500 × 10	35 000

MTC calculation

Member and two dependants
R728 + R246 = R974 per month
R974 × 10 months = R9 740 *maximum* MTC rebate

Calculation or Net Normal Tax

Normal tax on R130 000 (at 18%)	23 400
Less: Primary rebate	(17 235)
	6 165
Less: MTC (R9 740 limited to R6 165)*	(6 165)
Net normal tax due	0

* a rebate may never create a refund.

2.5 Apportionment of the medical scheme fees tax credit where contributions are paid by more than one taxpayer

There may be situations in which contributions are paid to a registered medical scheme by **more than** one taxpayer – for example, siblings who share the costs for a parent who is a "dependant" as defined. In such cases, the MTC must be apportioned between each person paying the contributions.[18] The following formula can be used to determine the MTC that may be claimed by each taxpayer:

$$\frac{\text{Contributions payable by the person}}{\text{Total contributions payable}} \times \text{Total MTC}$$

Example 10 – Apportionment of MTC

Facts:

M, aged 80, is a member of a registered medical scheme. X and Y, M's two children, are liable to M for family care and support. M's monthly contributions of R5 000, were paid by X and Y, in an equal share, during the 2026 year of assessment. M is a "dependant" as defined in section 6B(1) of both X and Y. Neither X nor Y is a member of a medical scheme.

Result:

	R
Contributions payable by M to the registered medical scheme (R5 000 × 12)	60 000
Contributions paid by X on behalf of M (half of R60 000)	30 000
Contributions paid by Y on behalf of M (half of R60 000)	30 000

MTC calculation

MTC for one dependant	364
Total monthly credit	364
Total MTC for the 2026 year of assessment (R364 × 12)	4 368

The MTC to be deducted from normal tax payable by each of X and Y for the 2026 year of assessment:

R30 000 / R60 000 × R4 368	2 184

R2 184 represents the *maximum* MTC rebate that each of X and Y may claim for the 2026 year of assessment in respect of contributions paid for M.

The burden of proving that an amount was paid by more than one taxpayer, and that an MTC may be claimed by each taxpayer, will rest on the taxpayer.[19]

[18] Section 6A(3A).

[19] Section 102 of the TA Act.

3. Part B – Section 6B rebate (additional medical expenses tax credit)

3.1 Background

The AMTC is a rebate against taxes payable and is, as a result, limited to the tax payable before the offset of employees' tax and provisional tax. The AMTC can accordingly not create a refund, nor can any excess be carried forward to the next year of assessment.

Taxpayers could qualify to claim an AMTC, however, the extent to which these qualifying medical expenses can be taken into account to calculate the AMTC is different depending on the **category** within which a taxpayer falls, as explained in more detail below (see **3.6**).

A taxpayer who is 65 years of age or older may qualify for a portion of the AMTC to be taken into account through the monthly employees' tax system. See the paragraph headed "Employees' tax" in **3.6.1** for more detail.

3.2 Qualifying persons for whom expenses may be claimed

The AMTC can be claimed by a taxpayer in respect of that taxpayer and any of his or her "dependants" as defined. The definition of "dependant" is discussed in **2.1.1** of this guide.

3.3 Qualifying medical expenses

Qualifying medical expenses fall into four categories, each of which is discussed below:

(a) Qualifying medical expenses incurred inside the Republic (see **3.3.1**)

(b) Qualifying medical expenses incorrect outside the Republic (see **3.3.2**)

(c) Qualifying medical expenses for a disability (see **3.3.3**)

(d) Qualifying medical expenses for a physical impairment (see **3.3.4**)

3.3.1 Qualifying medical expenses incurred inside the Republic

Expenses paid by a taxpayer during the year of assessment to any duly registered –[20]

> "(i) medical practitioner, dentist, optometrist, homeopath, naturopath, osteopath, herbalist, physiotherapist, chiropractor, or orthopaedist for professional services rendered or medicines supplied to the person or any dependant of the person;
>
> (ii) nursing home or hospital or any duly registered or enrolled nurse, midwife or nursing assistant (or to any nursing agency in respect of services of such nurse, midwife or nursing assistant) in respect of the illness or confinement of the person or any dependant of the person; or
>
> (iii) pharmacist for medicines supplied on the prescription of any person mentioned in subparagraph (i) for the person or any dependant of the person,"

will be taken into account in determining the AMTC, provided these expenses have been paid for the taxpayer or any dependant of the taxpayer.

Expenses paid in respect of any duly registered nursing home or hospital, for example, duly registered special care facilities for persons with or without a disability, are qualifying medical expenses if they are paid in respect of the illness or confinement of the taxpayer or any dependant of the taxpayer. If all the requirements in (ii) above are met, the expense will qualify for the AMTC. See **3.6** for the calculation of the AMTC.

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[20] Section 6B(1), definition of "qualifying medical expenses" paragraph (*a*).

In order for the expenses to qualify for the AMTC, the expenses must not have been recoverable by the taxpayer from any person, for example, from the taxpayer's medical scheme or an insurer under a medical gap cover insurance plan. Payments from a taxpayer's personal medical savings account do not qualify for the AMTC, as they are not paid by the taxpayer.[21, 22]

Example 11 – Expenditure must not have been recoverable

Facts:

BA belongs to a registered medical scheme, to which Dr F (who is a duly registered medical practitioner) submitted a claim of R1 000 for consultation fees. The medical scheme only paid R600 of this expense, resulting in BA having to pay the remaining R400 to Dr F. BA does not have a medical gap cover insurance plan.

ZY belongs to a registered medical scheme, to which Dr A (who is a duly registered medical practitioner) submitted a claim of R800 for consultation fees. The medical scheme only paid R350 of this expense, resulting in ZY having to pay the remaining R450 to Dr A. ZY is also covered by ABC Insurance Gap Cover Ltd, which reimbursed ZY for the R450 which the medical scheme did not cover.

Result:

The difference of R400 (R1 000 − R600) that was **not** paid by the medical scheme, but paid by BA, is regarded as a "qualifying medical expense" and will be taken into account when the AMTC is determined. The amount of R600 that was recoverable from the medical scheme is not a "qualifying medical expense" and may not be taken into account in determining BA's AMTC.

ZY is not entitled to an AMTC in respect of the amount of R350, as it was recoverable from the medical scheme. Further, the balance of R450 was recoverable from an insurer under a medical gap cover insurance plan. Accordingly, there would be no "qualifying medical expense", since the full R800 was recoverable by ZY, namely, R350 from the medical scheme and R450 from the insurer.

[21] The personal medical savings account contemplated in section 30(1)(*e*) of the MS Act is simply an allocation of a portion of the member's contribution within the medical scheme. Ownership of the balance in this account does not vest in the member. Payments from a personal medical savings account are therefore payments by the medical scheme, not payments by a taxpayer.

[22] Although the focus of this guide is on the medical rebates and not on items of income, it should be noted that if a member of a medical scheme terminates membership and the balance of the personal medical savings is paid out to that member, there are no tax consequences: the payment is capital in nature; there is no recoupment because the MTC and AMTC are rebates; and there is no capital gain, because the proceeds will equal the base cost.

Example 12 – Payment to an unregistered medical practitioner

Facts:

BB paid R1 000 to C for a medical consultation. C is a final-year medical student.

Result:

The payment of R1 000 is not a "qualifying medical expense" and will not be taken into account when the AMTC is determined, as the amount which BB paid was not to a duly registered medical practitioner.

Example 13 – Non-prescription medicine

Facts:

BC purchased headache tablets off-the-shelf at the local pharmacy for R50.

Result:

As the headache tablets were not prescribed by a duly registered medical practitioner, nor was the expense prescribed by the Commissioner in consequence of a physical impairment, the R50 is not regarded as a "qualifying medical expense" and will not be taken into account when the AMTC is determined.

3.3.2 Qualifying medical expenses incurred outside the Republic

Expenses for medical services and supplies that have been incurred outside South Africa[23] may be taken into account in the determination of the AMTC during a year of assessment if they –

- have been paid during that year of assessment, and
- are substantially similar to qualifying medical services rendered or medicines supplied in South Africa.

In order for the expenses to qualify for the AMTC, the expenses must not have been recoverable by the taxpayer from any person, for example, from the taxpayer's medical scheme (including a medical saving account within a medical scheme) or an insurer under a medical gap cover insurance plan.

3.3.3 Qualifying medical expenses for a disability

Expenditure prescribed by the Commissioner[24] and which is necessarily incurred and paid for by the taxpayer in consequence of a disability, qualifies for an AMTC under section 6B, but is subject to certain limitations, depending on the **category** within which a taxpayer falls (see **3.6**). These expenses are set out in the List (see **Annexure B**). The List is prescriptive and sets out the category and description of each expense that could be regarded as a qualifying medical expense in consequence of a disability.

[23] Section 6B(1), definition of "qualifying medical expenses" paragraph (*b*).
[24] Section 6B(1), definition of "qualifying medical expenses" paragraph (*c*).

The List differs from the one published with effect from 1 March 2012 in that the former list was subjective and only provided *examples* of types of expenses in certain categories that would be regarded as qualifying medical expenses. The List now provides more clarity in terms of the types of expenses that could qualify as a qualifying medical expense going forward. The List was further expanded to provide for certain expenses that were not previously taken into consideration as qualifying medical expenses.

A "disability"[25] means –

> "a moderate to severe limitation of a person's ability to function or perform daily activities as a result of a physical, sensory, communication, intellectual or mental impairment, if the limitation—
>
> (*a*) has lasted or has a prognosis of lasting more than a year; and
>
> (*b*) is diagnosed by a duly registered medical practitioner in accordance with criteria prescribed by the Commissioner".

The expense must be ***in consequence of*** a disability suffered by the taxpayer or any **dependant** of the taxpayer. The expense will only qualify if it was ***necessarily incurred*** and paid by the taxpayer.[26]

The terms **"necessarily incurred"** and **"in consequence of"** are not defined in the Act; therefore, they retain their ordinary meaning. "Necessary" is defined as "required to be done…needed", while "consequence" is defined as "a result or effect; as a result".[27] In their context within the Act, these phrases mean that there must be a direct link between the expenditure incurred and the disability, and the item or service acquired must be necessary to alleviate or support such disability. This means that a prescribed expense does not automatically qualify for an AMTC by mere reason of its listing.

For example, if a person with a disability, who has no visual impairment, purchases a hand-held Global Positioning System (GPS), the cost of the hand-held GPS will not qualify for an AMTC even though the expense has been prescribed (listed) by the Commissioner. This is because the hand-held GPS is not directly connected to this person's disability and is hence neither necessarily incurred, nor incurred in consequence of the disability. In the case of a person who is, for example, visually impaired, the cost of the hand-held GPS may qualify for a deduction.

In order for the expenses to qualify for the AMTC, the expenses must not have been recoverable by the taxpayer from any person, for example, from the taxpayer's medical scheme (including a medical saving account within a medical scheme) or an insurer under a medical gap cover insurance plan.

A "disability" as defined must be diagnosed by a duly registered medical practitioner in accordance with criteria prescribed by the Commissioner. These criteria are set out on a Confirmation of Diagnosis of Disability form (ITR-DD), which must be completed by both the taxpayer and the duly qualified medical practitioner. Both the diagnostic criteria and the layout of the ITR-DD are discussed below.

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25 Section 6B(1).

26 Section 6B(1), definition of "qualifying medical expenses" paragraph (*c*).

27 Concise Oxford English Dictionary. Edited by Catherine Soanes and Angus Stevenson. 11th ed. Oxford University Press.

(a) Prescribed diagnostic criteria for a disability

For each of the impairments in the definition of a "disability" in section 6B, the Commissioner has prescribed diagnostic criteria. These criteria seek to assess the functional impact of the impairment on a person's ability to perform daily activities and not the diagnosis of a medical condition. These criteria are discussed below:

Vision

The minimum requirement for a person to be classified as a person with a disability is –

- visual acuity in the better eye with best possible correction, less than 6/18 (0.3); and
- visual field 10 degrees or less around central fixation.

"6/18" means that, what a person with normal vision can read at 18 metres, the person being tested can only read at 6 metres.

"Best possible correction" refers to the position after a person's vision has been corrected by means of spectacles, contact lenses or intra-ocular (implanted) lenses.

Communication

A person is regarded as having a moderate to severe communication disability if, despite appropriate therapy, medication or suitable devices, one or more life activities (as listed below, pending age appropriateness), is substantially limited, that is, more than merely inconvenient or bothersome. In other words, if one or more of the following apply, the individual will be regarded as suffering from a moderate to severe communication disability:

- Inability to make self-understood to familiar communication partners using speech in a quiet setting.
- Inability to make self-understood to familiar or non-familiar communication partners and incapability of meeting appropriate communication needs for his or her age by using speech, in less than 30 intelligible words.
- Problems in understanding meaningful language by familiar communication partners that lead to substantial difficulty in communicating.
- The need to rely on augmentative or alternative communication (AAC), including unaided (for example, sign language or other manual signs) or aided means of communication (ranging from communication boards to speech generating devices).

Physical

A person is regarded as a person with a disability if the impairment is such that the person is –

- unable to walk, for example, a wheelchair user;
- only able to walk with the use of assistive devices, for example, callipers, crutches, walking frames and other similar devices;
- able to walk without the use of assistive devices, but with a degree of difficulty, for example, persons with Cerebral Palsy, Polio etc (that is, persons who require an inordinate amount of time to walk); and
- functionally limited in the use of the upper limbs.

Mental

With the exclusion of intellectual disability, a person is regarded as having a mental disability if that person has been diagnosed (in accordance with accepted diagnostic criteria as prescribed in the *Diagnostic and Statistical Manual DSM-V*) by a mental health care practitioner who is authorised to make such diagnosis, and such diagnosis indicates a mental impairment that disrupts daily functioning and which moderately or severely interferes or limits the performance of major life activities, such as learning, thinking, communicating and sleeping, amongst others.

A moderate impairment means a Global Assessment Functioning Score (GAF-Score) of 31 to 60. A severe impairment means a GAF-Score of 30 and below.

Hearing

Hearing disability refers to the functional limitations resulting from a hearing impairment. Hearing impairment is a sensory impairment that will influence verbal communication between speaker and listener.

An ***adult*** is considered moderately to severely hearing impaired when the hearing loss, without the use of an amplification device, is described as follows:

- Bilateral hearing loss with a pure tone average equal to or greater than 25 dBHL in each ear.
- Unilateral hearing loss with pure tone average equal to or greater than 40 dBHL in the affected ear.

A ***child*** is considered moderately to severely hearing impaired when the hearing loss, without the use of an amplification device, is as follows:

- Bilateral hearing loss with a pure tone average greater than 15 dBHL in each ear.
- Unilateral hearing loss with a pure tone average equal to or greater than 20 dBHL in the affected ear.

Notes:

1. Hearing impairment is an abnormal or reduced function in hearing resulting from an auditory disorder.
2. A child is a person who is not over the age of 18 years.
3. Amplification devices include hearing aids, implantable devices and assistive listening devices.
4. Pure Tone Average (PTA): average of hearing sensitivity thresholds (in decibel hearing level) to pure tone signals at 500Hz and 1000Hz, 2000Hz and 4000Hz of each ear.
5. Bilateral hearing loss is a hearing sensitivity loss in both ears.
6. Unilateral hearing loss is a hearing sensitivity loss in one ear only.

Intellectual

A person is regarded as having an intellectual disability if he or she has a moderate to severe impairment in intellectual functioning that is accompanied by a significant limitation in adaptive functioning in at least two of the following skill areas:

- Communication
- Self-care
- Home living
- Social or interpersonal skills
- Use of community resources
- Self-direction
- Functional academic skills, work, leisure, health and safety

A moderate impairment means an intelligence quotient (IQ) of 35 to 49. A severe impairment means an IQ of 34 and below.

(b) Confirmation of disability form (ITR-DD)

A person who wishes to claim an AMTC for disability expenses[28] must first complete an **ITR-DD** to allow a registered medical practitioner to diagnose and confirm, amongst others, the extent of the disability before the taxpayer submits an income tax return. The ITR-DD must not be submitted with the annual income tax return but must be retained for compliance purposes in the event of a SARS audit.[29]

The ITR-DD must be completed and endorsed by a duly registered medical practitioner[30] who is qualified to express an opinion on the disability.

The ITR-DD form is valid for a particular period, depending on the nature and permanency of the disability, as provided below:

If the disability is of a permanent nature

If the person qualified as a person with a disability for the first time on or after 1 March 2019, the ITR-DD will be valid for 10 years, provided that the disability remains moderate to severe.

If the person qualified as a person with a disability for the first time before 1 March 2019 and, on 1 March 2019, that person held a valid ITR-DD form expiring after that date, that ITR-DD form will be valid for a further five years from its date of expiry. It is not necessary to complete a new ITR-DD until date of expiry of that form, provided the disability remains moderate to severe.

If the disability is not of a permanent nature

If the person qualifies as a person with a disability that is not of a permanent nature, the ITR-DD is valid for one year from 1 March of each year of assessment, and must be renewed annually.

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28 See **4** in this guide for details of how to make the claim.

29 Section 31 of the TA Act.

30 Registered with the HPCSA.

The ITR-DD consists of four main parts, all of which must be completed in full.

Part A of the ITR-DD must be completed by the person with the disability. To ensure that there is no breach of patient-doctor confidentiality, it is important that the authorisation in Part A is duly signed by the person with the disability. The ITR-DD must be signed by a parent, guardian or court-appointed curator, as the case may be, if the person with the disability is a minor, or is physically or intellectually unable to do so.

Part B of the ITR-DD must be completed by a duly registered medical practitioner who is qualified to express an opinion regarding the person's disability. The practitioner needs to complete the appropriate diagnostic criteria.

In **Part C** of the ITR-DD the registered medical practitioner must, amongst other things, –

- indicate and describe if the functional limitations with respect to performing activities of daily living are regarded as either "mild" or "moderate to severe";
- indicate if the disability has lasted, or is expected to last for a continuous period of more than 12 months; and
- sign the declaration.

Examples of duly registered medical practitioners specially trained to deal with a particular disability include the following:

Vision:	Practitioner trained to use a Snellen chart (for example, an optometrist or ophthalmologist).
Hearing:	Practitioner trained to perform or conduct a battery of the diagnostic audiometry tests (for example, an ear, nose and throat specialist or an audiologist).
Speech:	Speech-language pathologist.
Physical:	Orthopaedic surgeon, neurosurgeon, physiotherapist or occupational therapist.
Intellectual:	Psychiatrist or clinical psychologist.
Mental:	Psychiatrist or clinical psychologist.

Note that these are merely *examples* of duly registered medical practitioners who are specifically trained and authorised to deal with or to express an opinion on a particular disability, but may not be restricted to solely those listed. For example, certain educational psychologists who are trained to administer IQ tests and assess learning and cognitive functioning, but not trained to test GAF scores, may be in a position to provide IQ scores in respect of intellectual disabilities, but not GAF scores in respect of mental disabilities.

In **Part D** of the ITR-DD, the registered medical practitioner must complete his or her details, such as personal information, HPCSA number, physical address, postal address etc.

Persons with more than one disability

In some cases, more than one disability may be declared on one ITR-DD, as some medical practitioners may treat a patient for multiple disabilities. The moment any one of a person's disabilities is diagnosed by the duly registered medical practitioner as "moderate to severe", and having a prognosis of lasting longer than a year, the disability will qualify as a "disability"

as defined. Once that occurs, all "qualifying medical expenses" may be taken into account in determining the AMTC (subject to the relevant limitation). There is no need to separate expenses relating to each disability or physical impairment, or even separate qualifying medical expenses not relating to the disability. All qualifying medical expenses are added together and the AMTC will be calculated accordingly.

See **3.6.2** for a detailed discussion of how the AMTC is determined when a taxpayer, his or her spouse or his or her child is a person with a disability.

3.3.4 Qualifying medical expenses for a physical impairment

Taxpayers are also permitted to take into account qualifying medical expenses for a physical impairment in calculating the AMTC.[31]

The term "physical impairment" is not defined in the Act. However, in the context of section 6B(1), it is regarded as a disability that is less restraining than a "disability" as defined. This means the restriction or limitation on the person's ability to function or perform daily activities ***after maximum correction*** is less than a "moderate to severe limitation". Maximum correction in this context means appropriate therapy, medication and use of devices.

Physical impairments will, for example, include –

- bad eyesight;
- hearing problems;
- paralysis of a portion of the body; and
- brain dysfunctions such as dyslexia, hyperactivity or lack of concentration.

Diabetes and asthma are recognised as medical conditions and not as physical impairments.

Once again, the expense must be ***in consequence of*** a physical impairment suffered by the taxpayer or any dependant of the taxpayer. The expense will only qualify if it was ***necessarily incurred*** and paid by the taxpayer. For a discussion on the terms, "in consequence of" and "necessarily incurred", see **3.3.3**.

In order for the expenses to qualify for the AMTC, the expenses must not have been recoverable by the taxpayer from any person, for example, from the taxpayer's medical scheme (including a medical saving account within a medical scheme) or an insurer under a medical gap cover insurance plan.

Example 14 – Necessarily incurred, in consequence of

Facts:

JC purchased a wig for R2 500. It is not known why the wig was purchased, as JC has not suffered any abnormal hair loss as a result of disease, accident or medical treatment. It appears JC suffers solely from hereditary baldness.

[31] Section 6B(1), definition of "qualifying medical expenses" paragraph (*c*).

Result:

Although the expense of a wig is prescribed by the Commissioner, the expenditure of R2 500 is not a qualifying expense, as the expense is not necessarily incurred in consequence of a physical impairment (hereditary baldness cannot be regarded as a physical impairment).

A taxpayer will be able to claim an AMTC if he or she or any of his or her dependants has a physical impairment that is not a "disability" as defined. These qualifying expenses will, however, be subject to the 7,5% limitation (see **3.6.3**).[32]

3.4 Timing of claim for qualifying medical expenses

Qualifying medical expenses can only be claimed in the year of assessment during which they are actually **paid**. Expenses can be **incurred** during a year of assessment but may not necessarily be paid in that same year of assessment. This will, for example, be the case where the obligation to pay expenses has been incurred towards the end of a year of assessment but has only been paid in the subsequent year of assessment, or where medical expenses are incurred on account and the instalments are only paid in the subsequent year of assessment.

Similarly, a qualifying medical expense that relates to both a current year of assessment and the subsequent year of assessment, may be incurred and also paid in the first year of assessment. In such a case, the full amount incurred and paid in the first year may be claimed in that first year.

Example 15 – Necessarily incurred and paid

Facts:

X's child, Z, is a person with a "disability" as defined. Z attends a special education school for learners with disabilities. X is required to pay R150 000 in school fees for the 2026 school calendar year. The school fees that would have been payable if Z had attended the closest fee-paying public school not specialising in learners with special educational needs, amount to R30 000.

X enters into an agreement with the special education school, in terms of which X is obliged to pay the school fees in one lump sum on or before 15 March 2026. In return, X will obtain a 10% discount from the special education school and will thus only incur an expense of R135 000. X pays this amount on 15 February 2026.

Result:

The expense is necessarily incurred in respect of a disability. In terms of **Part F** of the List, X is entitled to claim the portion of the school fees in excess of those that would have been payable if Z had attended the closest fee-paying public school not specialising in learners with special educational needs. This portion would amount to R105 000 (R135 000 less R30 000) as allowed under Part F of the List.

[32] Section 6B(3)(*c*). This limitation does not apply to taxpayers aged 65 years and older.

The amount of R105 000 will accordingly be a qualifying medical expense that can be claimed in the 2026 year of assessment since the school fees were incurred when X entered into the agreement with the school and were then paid on 15 February 2026.

Notes:

1. If the school fees had been paid, for example, on 15 March 2026, X would only be entitled to claim these expenses in the 2027 year of assessment, since the 2027 year of assessment begins on 1 March 2026 and the school fees would have been paid after that year of assessment had commenced.
2. If the school fees are, for example, paid monthly during the calendar year, it will result in X incurring and paying amounts in both the 2026 and 2027 years of assessment, in which case only the *portion* paid in the 2026 year of assessment can be claimed in that year of assessment, and the *portion* paid in the 2027 year of assessment may be claimed in the 2027 year of assessment.

3.5 Contributions and qualifying medical expenses deemed to be paid by the taxpayer

Contributions to a medical scheme and qualifying medical expenses paid by a person other than the taxpayer[33] will **not** be taken into account when the AMTC is determined, except for –[34]

- qualifying contributions and medical expenses paid by the estate of a deceased taxpayer for the period up to the date of the taxpayer's death. These costs are deemed to have been paid by the taxpayer on the day before the taxpayer's date of death; and
- qualifying contributions and medical expenses paid by an employer of a taxpayer, **to the extent that the amount has been included in the income** of the taxpayer as a taxable benefit.[35]

3.6 Amount of additional medical expenses tax credit to be deducted from tax due

The calculation of the AMTC to which a person is entitled, is determined based on the following categories:

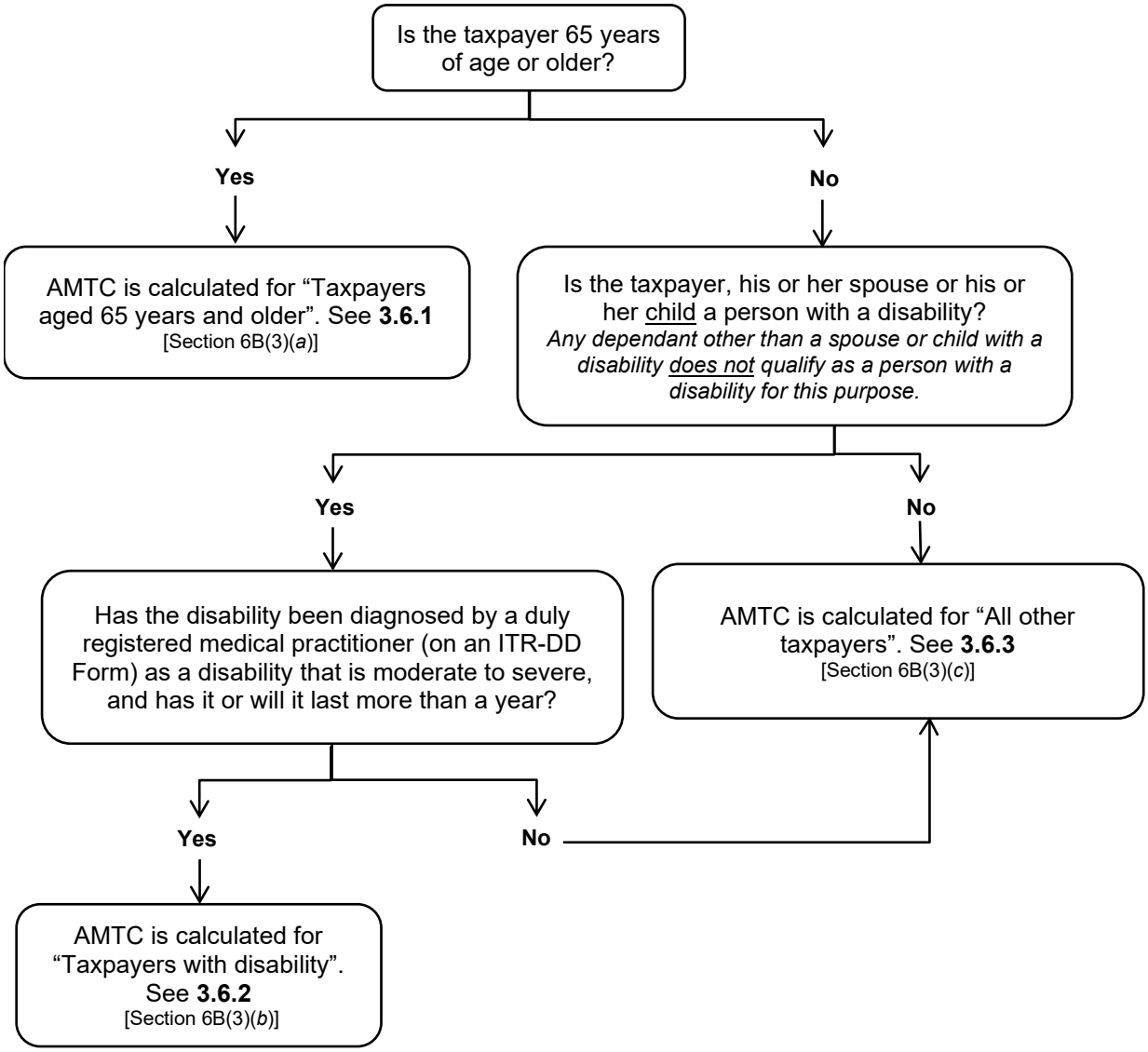
(a) Taxpayers aged 65 years and older (see **3.6.1**)

(b) Taxpayer, his or her spouse or his or her child is a person with a disability (see **3.6.2**)

(c) All other taxpayers (see **3.6.3**)

See the flowchart on the next page in order to understand the category that would apply to you.

[33] See **4** of this guide for practical application.
[34] Section 6B(4).
[35] As provided in paragraph 2(*j*), read with paragraph 12B.



3.6.1 Taxpayers aged 65 years and older

Persons aged 65 years and older could qualify for the AMTC, which is calculated as follows:

Qualifying medical expenditure paid during the year of assessment, amounting to –[36]

- 33,3% of the fees paid to a medical scheme or qualifying foreign fund as exceeds three times the amount of the MTC[37] to which that person is entitled; plus
- 33,3% of qualifying medical expenses[38] paid (out-of-pocket expenses).

[36] Section 6B(3)(*a*).
[37] Section 6A(2)(*b*).
[38] Section 6B(1), definition of "qualifying medical expenses".

To simplify this calculation, the following formula can be used:

33,3% × {[A − (3 × B)] + C}

in which formula –

"A" represents fees paid to a medical scheme or qualifying foreign fund for the year of assessment;

"B" represents the MTC for the year of assessment; and

"C" represents all qualifying medical expenses paid during the year of assessment.

Example 16 – Calculation of AMTC for person who is 65 years of age or older

Facts:

For the 2026 year of assessment, AZ (aged 67) earned a pension of R415 000 (from which employees' tax of R64 618 was withheld) and annuity income of R42 000. AZ incurred and paid the following medical expenses:

- R5 100 per month for medical scheme contributions for AZ and AZ's spouse.
- R6 250 for out-of-pocket expenses relating to prescription items and visits to duly registered medical practitioners.
- R2 500 for spectacles (that were not covered by the medical scheme) for a physical impairment.
- R2 800 for medical consultation fees incurred to rush a friend to the emergency room following an accident. The friend is not a dependant of AZ (Note 1).
- R580 for a consultation with a general practitioner on 20 February 2026. The amount was only paid by AZ on 2 March 2026 (Note 2).

All amounts were correctly reflected on AZ's IRP5, and AZ was not entitled to any exemption or deduction during the 2026 year of assessment.

Result:

	R
Total contributions (R5 100 × 12)	61 200,00
MTC calculation	
MTC: (R728 × 12)	8 736,00

Calculation of tax liability

	R
Taxable income (R415 000 + R42 000)	457 000,00
Normal tax on R457 000 (as per tax tables) = R77 362 + [31% of the amount over R370 500] = R77 362 + [31% of (R457 000 – R370 500)] = R77 362 + [31% of R86 500] = R77 362 + R26 815	104 177,00
Less: Primary rebate	(17 235,00)
	86 942,00
Less: Secondary rebate	(9 444,00)
	77 498,00
Less: MTC (section 6A rebate)	(8 736,00)
	68 762,00
Less: AMTC (section 6B rebate) [see calculation below]	(14 566,08)
Net normal tax	54 195,92
Less: Employees' tax	(64 618,00)
Due to AZ (tax refund)	(10 422,08)

Calculation of AMTC

A = R61 200 (contributions to a medical scheme)

B = R8 736 (MTC)

C = R8 750 (qualifying medical expenses of R6 250 + R2 500) [See Notes]

Formula to calculate AMTC:

AMTC = 33,3% × {[A − (3 × B)] + C}

= 33,3% × {[R61 200 − (3 × R8 736)] + R8 750}

= 33,3% × {[R61 200 − R26 208] + R8 750}

= 33,3% × {R34 992 + R8 750}

= 33,3% × R43 742

= R14 566,08

Notes:

1. The expense of R2 800 for the friend who had to be rushed to the emergency room is not a qualifying medical expense since the friend is not a dependant of AZ.

2. The R580 paid for the consultation with a general practitioner will not be considered a qualifying medical expense in the 2026 year of assessment since it was paid during the 2027 year of assessment, and can thus only be claimed in the 2027 year of assessment.

3.6.2 Taxpayer, his or her spouse or his or her child is a person with a disability

The calculation of the AMTC[39] for persons with a disability is only available where the taxpayer, his or her spouse or his or her *child* is a person with a *disability*.

In other words, **two** criteria must be met in order for the taxpayer to claim the AMTC for persons with a disability, namely –

(i) there must be a **"disability"** as defined (in other words, the disability must be, for example, moderate to severe); **and**

(ii) the person with a disability must be either the **taxpayer**, his or her **spouse**, or his or her **child**.

Dependants **other than** a spouse or child will **not** fall into this category (regardless of disability status) but qualifying medical expenses may still be claimed for such dependants under the category "all other taxpayers". (see **3.6.3**). Thus, if the taxpayer wishes to claim qualifying medical expenses for –

- a dependant other than his or her spouse or his or her child (such as the taxpayer's parent); or
- an impairment that does not meet the definition of disability (for example, if the disability is mild),

only the AMTC[40] for "all other taxpayers" (see **3.6.3**), which is subject to a limitation of 7,5% of the taxpayer's taxable income, can be claimed.

As indicated above, the AMTC in the category "Taxpayer, his or her spouse or his or her child is a person with a disability" recognises, as qualifying medical expenses, amounts (other than expenses recoverable by the taxpayer or his or her spouse) necessarily incurred and paid by the taxpayer in consequence of a disability suffered by him or her, his or her spouse or his or her child.

The following AMTC may be claimed in respect of qualifying medical expenditure paid during the year of assessment:[41]

- 33,3% of the fees paid to a medical scheme or qualifying foreign fund as exceeds three times the amount of the MTC[42] to which that person is entitled; plus
- 33,3% of qualifying medical expenses[43] paid (out-of-pocket expenses).

To simplify this calculation, the following formula can be used:

33,3% × {[A − (3 × B)] + C}

in which formula –

"A" represents fees paid to a medical scheme or qualifying foreign fund for the year of assessment;

39 As envisaged in section 6B(3)(*b*).
40 As envisaged in section 6B(3)(*c*).
41 Section 6B(3)(*b*).
42 Section 6A(2)(*b*).
43 Section 6B(1), definition of "qualifying medical expenses".

"B" represents the MTC for the year of assessment; and

"C" represents all qualifying medical expenses paid during the year of assessment, including disability expenditure.

Example 17 – Calculation of the AMTC for a person with disability

Facts:

During the 2026 year of assessment, Y (aged 34) earned a salary of R680 000 (excluding any taxable benefit). Y contributed R66 900 towards ABC Medical Scheme, of which the employer paid R24 000 (Note 1). Y's employer withheld employees' tax of R162 481 from Y's remuneration of R704 000 (R680 000 + R24 000), after accounting for the MTC. Y has an ITR-DD, completed and signed by a duly registered medical practitioner, confirming that Y's four-year old daughter is a person with a disability, since she has a moderate-to-severe hearing impairment in both ears. Y claims R32 691 (Note 2) for two hearing aids for the daughter and other allowable out-of-pocket medical expenses of R9 232.

Y has kept proof of all expenses and is the main member on the ABC Medical Scheme, with two dependants – a spouse and daughter. All amounts were correctly reflected on Y's IRP5 certificate, and Y was not entitled to any exemption or deduction during the 2026 year of assessment.

Result:

	R
MTC calculation	
(R728 + R246) × 12	11 688,00
Calculation of tax liability	
Income (R680 000 + R24 000)	704 000,00
Taxable income	704 000,00
Normal tax on R704 000 (as per tax tables) = R179 147 + [39% of the amount over R673 000] = R179 147 + [39% of (R704 000 – R673 000)] = R179 147 + [39% of R31 000] = R179 147 + R12 090	191 237,00
Less: Primary rebate [section 6(2)(*a*)]	(17 235,00)
	174 002,00
Less: MTC [section 6A(2)]	(11 688,00)
	162 314,00
Less: AMTC [section 6B(3)(*b*)] (see calculation below)	(24 561,74)
Net normal tax	137 752,26
Less: Employees' tax	(162 481,00)
Due to Y (tax refund)	(24 728,74)

Calculation of AMTC

A = R66 900 (contributions to a medical scheme or fund)

B = R11 688 (MTC)

C = R41 923 (qualifying medical expenses of R32 691 + R9 232)

Formula to calculate AMTC:

AMTC = 33,3% × {[A − (3 × B)] + C}

= 33,3% × {[R66 900 − (3 × R11 688)] + R41 923}

= 33,3% × {[R66 900 – R35 064] + R41 923}

= 33,3% × {R31 836 + R41 923}

= 33,3% × R73 759

= R24 561,74

Notes:

1. The amount of R24 000 paid by the employer for the employee's benefit represents a taxable benefit under paragraph 2(*j*), read with paragraph 12B. This amount must be included in gross income and remuneration.
2. The payment of R32 691 for the two hearing aids will be a qualifying medical expense since the amount was necessarily incurred and paid for the taxpayer's child in consequence of the child's physical disability.

3.6.3 All other taxpayers

In addition to the MTC, all other taxpayers – that is, taxpayers who have not qualified under the categories "Taxpayers aged 65 years and older" or "Taxpayer, his or her spouse or his or her child is a person with a disability" (see **3.6.1** and **3.6.2**) – will be entitled to an AMTC that is limited to 25% of the amount by which the sum of the amounts listed below exceeds 7,5% of the taxable income (excluding retirement fund lump sum benefits, retirement fund lump sum withdrawal benefits, and severance benefits)[44] before taking into account this AMTC:

(i) All contributions made by the taxpayer to a registered medical scheme (in respect of the taxpayer, his or her spouse and any dependant) that exceeds **four times** the MTC; and

(ii) Actual qualifying medical expenses (including expenses for a physical impairment or for a disability that is mild and not moderate to severe) paid by the taxpayer and not recoverable from the medical scheme in respect of the taxpayer and any *dependant*.

In (ii) above, the following expenses must be taken into account in the determination of the AMTC:

- All qualifying out-of-pocket medical expenses relating to services and prescribed supplies; and
- Expenses relating to a physical impairment (if applicable).

[44] Section 6B(3)(*c*).

When determining the AMTC, an assessed loss brought forward from a previous year of assessment must first be set off against the taxable income of the current year of assessment before calculating the 7,5% limitation.

To simplify this calculation, the following formula can be used:

25% × {[A − (4 × B)] + C] − (7,5% × D)}

in which formula –

"A" represents fees paid to a medical scheme or fund for the year of assessment;

"B" represents the MTC for the year of assessment;

"C" represents all qualifying medical expenses paid during the year of assessment; and

"D" represents taxable income (excluding any retirement fund lump sum benefit, retirement fund lump sum withdrawal benefit and severance benefit).

Example 18 – All other taxpayers

Facts:

During the 2026 year of assessment, Y (aged 34) earned a salary of R300 000 (excluding any taxable benefit). Y contributed R46 900 to ABC Medical Scheme. Y's employer paid R24 000 of the R46 900 (Note 1). Y's employer withheld employees' tax of R36 356 from Y's remuneration of R324 000 (R300 000 + R24 000), after accounting for the MTC. All amounts were correctly reflected on Y's IRP5 certificate, and Y was not entitled to any exemption or deduction during the 2026 year of assessment.

Y is claiming allowable out-of-pocket medical expenses of R19 432 as well as R2 691 incurred and paid for over-the-counter medication for a physical impairment (the qualifying expenses appear on the List). Y has kept proof of all expenses. Y is the main member on ABC Medical Scheme and has two dependants.

Result:

	R
Total contributions paid	46 900,00
MTC Calculation	
MTC: (R728 + R246) × 12	11 688,00

Calculation of tax liability

	R
Taxable income (R300 000 + R24 000)	324 000,00
Normal tax on R324 000 (as per tax tables) = R42 678 + [26% of the amount over R237 100] = R42 678 + [26% of (R324 000 – R237 100) = R42 678 + [26% of R86 900] = R42 678 + R22 594	65 272,00
Less: Primary rebate	(17 235,00)
	48 037,00
Less: MTC	(11 688,00)
Net normal tax	36 349,00
Less: AMTC (see calculation below)	(0,00)
	36 349,00
Less: Employees' tax	(36 404,00)
Due to Y[45] (tax refund)	(55,00)

Calculation of AMTC

A = R46 900 (contributions to a medical scheme or fund)

B = R11 688 (MTC)

C = R22 123 (qualifying medical expenses of R19 432 + R2 691)

D = R324 000 (represents taxable income, excluding any retirement fund lump sum benefit, retirement fund lump sum withdrawal benefit and severance benefit)

Formula to calculate AMTC:

AMTC = 25% × {[A − (4 × B)] + C] − (7,5% × D)}

= 25% × {[R46 900 − (4 × R11 688)] + R22 123] − (7,5% × R324 000)}

= 25% × {[(R46 900 − R46 752) + R22 123] − R24 300}

= 25% × {[R148 + R22 123] − R24 300}

= 25% × {R22 271 − R24 300}

= 25% × R0*

= R0

* limited to R0 since the rebate cannot be determined on a negative amount in the formula.

Notes:

1. The amount of R24 000 paid by the employer for the employee's benefit represents a taxable benefit under paragraph 2(*j*), read with paragraph 12B. This amount must be included in gross income and remuneration.

[45] Section 191(3) of the TA Act provides that an amount is not refundable if the amount is less than R100 or any amount as the Commissioner may determine by public notice, but must be carried forward on the taxpayer's account.

Example 19 – All other taxpayers

Facts:

During the 2026 year of assessment, X (aged 38) earned a salary of R982 000 (excluding any taxable benefit). X contributed R143 000 towards ABC Medical Scheme. X's employer paid R60 000 of the R143 000 (Note 1). X's employer withheld employees' tax of R291 870 from X's remuneration of R1 042 000 (R982 000 + R60 000), after accounting for the MTC. All amounts were correctly reflected on X's IRP5 certificate, and X was not entitled to any exemption or deduction during the 2026 year of assessment.

X is claiming allowable out-of-pocket medical expenses of R24 866. X has kept proof of all expenses. X is the main member on ABC Medical Scheme and has four dependants – a spouse and three children.

Result:

	R
Total contributions	143 000,00
MTC Calculation	
MTC: (R728 + R246 + R246 + R246) × 12	17 592,00
Calculation of tax liability	
Taxable income (R982 000 + R60 000)	1 042 000,00
Normal tax on R1 042 000 (as per tax tables) = R251 258 + [41% of the amount over R857 900] = R251 258 + [41% of (R1 042 000 – R857 900)] = R251 258 + [41% of R184 100] = R251 258 + R75 481	326 739,00
Less: Primary rebate	(17 235,00)
	309 504,00
Less: MTC	(17 592,00)
	291 912,00
Less: AMTC (see calculation below)	(4 837,00)
Net normal tax	287 075,00
Less: Employees' tax	(291 870,00)
Due to X (tax refund)	(4 795,00)

Calculation of AMTC

A = R143 000 (contributions to a medical scheme or fund)

B = R17 592 (MTC)

C = R24 866 (qualifying medical expenses)

D = R1 042 000 (represents taxable income, excluding any retirement fund lump sum benefit, retirement fund lump sum withdrawal benefit and severance benefit)

Formula to calculate AMTC:

AMTC = 25% × {[A − (4 × B)] + C] − (7,5% × D)}

= 25% × {[R143 000 − (4 × R17 592)] + R24 866] − (7,5% × R1 042 000)}

= 25% × {[(R143 000 – R70 368) + R24 866] – R78 150}

= 25% × {[R72 632 + R24 866] – R78 150}

= 25% × {R97 498 – R78 150}

= 25% × R19 348

= R4 837

Notes:

1. The amount of R60 000 paid by the employer for the employee's benefit represents a taxable benefit under paragraph 2(*j*), read with paragraph 12B. This amount must be included in gross income and remuneration.

Example 20 – All other taxpayers: claim for physical impairment expenditure

Facts:

During the 2026 year of assessment, X (aged 38) earned a salary of R212 000 (excluding any taxable benefits). X contributed R43 000 towards ABC Medical Scheme. X's employer paid R18 000 of the R43 000. X's employer withheld employees' tax of R12 448 from X's remuneration of R230 000 (R212 000 + R18 000), after accounting for the MTC. All amounts were correctly reflected on X's IRP5 certificate, and X was not entitled to any exemption or deduction during the 2026 year of assessment.

X is claiming allowable out-of-pocket medical expenses of R14 866 as well as R19 450 incurred and paid for over-the-counter medication because of a physical impairment (the qualifying expenses appear on the List). X has kept proof of all expenses. X is the main member on ABC Medical Scheme and has two dependants – a spouse and one child.

Result:

	R
Total contributions	43 000,00
MTC calculation	
MTC: (R728 + R246) × 12	11 688,00

Calculation of tax liability

	R
Taxable income	230 000,00
Normal tax on R230 000 (as per tax tables: 18% of each R1)	41 400,00
Less: Primary rebate	(17 235,00)
	24 165,00
Less: MTC	(11 688,00)
	12 477,00
Less: AMTC (see calculation below)	(4 266,50)
Net normal tax	8 210,50
Less: Employees' tax	(12 448,00)
Due to X (tax refund)	(4 237,50)

Calculation of AMTC

A = R43 000 (contributions to a medical scheme or fund)

B = R11 688 (MTC)

C = R34 316 (qualifying medical expenses of R14 866 + R19 450)

D = R230 000 (represents taxable income, excluding any retirement fund lump sum benefit, retirement fund lump sum withdrawal benefit and severance benefit)

Formula to calculate AMTC:

AMTC = 25% × {[A − (4 × B)] + C] − (7,5% × D)}

= 25% × {[R43 000 − (4 × R11 688)] + R34 316] − (7,5% × R230 000)}

= 25% × {[(R43 000 – R46 752) + R34 316] – R17 250}

= 25% × {[R0* + R34 316] – R17 250}

= 25% × {R34 316 – R17 250}

= 25% × R17 066

= R4 266,50

* Cannot result in a negative amount in the formula, thus limited to R0.

4. Employees' tax implications

Medical scheme fees tax credit

An employer that effects payment of the medical scheme fees is obliged to take into account the MTC when calculating the employees' tax to be deducted or withheld from the employees' remuneration.[46] This is usually carried out using the various payroll systems. The MTC may be taken into account *at the option of the employer* where the employer does not effect payment of the medical scheme fees, and if proof of payment of those fees has been furnished to the employer. Taxpayers who have not had their MTC taken into account may claim the applicable rebate by submitting an annual ITR12 income tax return to take advantage of the credit.

[46] Paragraph 9(6) of the Fourth Schedule to the Act.

A South African employer that makes contributions to a foreign medical fund in respect of an employee has the obligation to determine whether the legislation that governs such foreign fund is similar to the provisions of the MS Act and whether such contributions will therefore qualify for an MTC.

Additional medical tax credit

A taxpayer who is 65 years of age or older may qualify to have a portion of the AMTC taken into account when calculating the employees' tax to be deducted from his or her remuneration. The taxpayer must be a member of a registered medical scheme and, if the employer –

(i) pays the medical scheme contributions directly, the employer **is required to** take the qualifying portion of the AMTC into account;[47] or

(ii) does not pay the medical scheme contributions directly, the employer **may** take the qualifying portion of the AMTC into account, if the taxpayer has provided proof of payment of the contributions.[48]

The portion of the AMTC that qualifies to be taken into account in calculating the employees' tax to be deducted, is the portion that relates to the "excess contributions", calculated as follows:[49]

> 33,3% of the fees paid to a medical scheme or qualifying foreign fund as exceeds three times the amount of the MTC[50] to which that person is entitled.

Out-of-pocket expenses may not be taken into account for employees' tax purposes.[51] Taxpayers who have not had their AMTC taken into account for employees' tax purposes may submit a tax return to SARS to take advantage of the AMTC.

5. How to claim the medical scheme fees tax credit and additional medical expenses tax credit

5.1 Persons registered for income tax

Included in the documentation that must be retained for audit purposes when an MTC or AMTC is claimed for a year of assessment is the following:

- Proof of contributions paid to a registered medical scheme or to any other funds registered under similar provisions in the laws of any other country. Contributions paid to a registered medical scheme will be reflected on the medical scheme certificate.
- A statement from the medical scheme indicating the total amount of claims submitted to the fund that were not refunded to the taxpayer or paid by the scheme to the service provider. The medical statements, which are generally released by each medical scheme in February or March each year, usually reflect the total amount for the year of assessment. Taxpayers could be asked to prove that they have paid the amounts disclosed on the medical scheme certificates.

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47 Paragraph 9(6)(*b*)(i) of the Fourth Schedule to the Act.
48 Paragraph 9(6)(*b*)(ii) of the Fourth Schedule to the Act.
49 Section 6B(3)(*a*)(i).
50 Section 6A(2)(*b*).
51 Paragraph 9(6) of the Fourth Schedule to the Act only permits an employer to take into account the AMTC contemplated in section 6B(3)(*a*)(i), and not the AMTC contemplated in section 6B(3)(*a*)(ii).

- A completed list of amounts not submitted to (or recoverable from) the taxpayer's medical scheme, medical insurer or any other person, together with proof of such amounts incurred and paid.
- In cases where receipts have been made out in the name of a dependant, or contributions or fees in respect of a dependant have been made to a different medical scheme to the one to which the taxpayer belongs, SARS will accept a sworn affidavit in which the taxpayer indicates that the contributions, fees or qualifying expenses claimed for the dependant, have actually been paid by the taxpayer (either directly or indirectly).
- A letter from the taxpayer's medical scheme, stating that the benefits allocated to certain medical procedures are exhausted, when applicable.
- A duly completed and signed Confirmation of Disability (ITR-DD) form, if applicable.

The aforementioned documentation, as well as receipts, must not be submitted with the annual income tax return, but must be stored and made available on SARS's request, in the event that a taxpayer is required to substantiate the medical claims. A taxpayer is required to keep records such as receipts, paid cheques, bank statements, deposit slips and invoices for five years from the date of submission of the return.[52] In cases where objections and appeals have been lodged against assessments, the taxpayer must keep all records and data relating to the assessments under objection or appeal until such time that the objection or appeal has been finalised, even if the timeframe for finalisation exceeds five years.

5.2 Persons not registered for income tax

Taxpayers who are not required to submit tax returns are generally either employees, or are taxpayers whose income is below the tax threshold. These taxpayers may have an MTC or AMTC that was not taken into account during the year of assessment. The mere submission of a tax return will have no effect on the taxpayer's tax liability if the employer has already taken the MTC or AMTC into account. The MTC or AMTC will also not create a refund if the taxpayer has no liability for normal tax.

Taxpayers must request an income tax return at the local SARS Service, via the national SARS Service Centre or online through the SARS eFiling website **(www.sarsefiling.co.za)** if there is an MTC or AMTC that has not been taken into account, and if the taxpayers wish to apply for a refund. Should the MTC or AMTC result in a reduction of the tax paid, the taxpayer will become entitled to a refund.

6. How to object to the disallowance of a medical scheme fees tax credit or additional medical expenses tax credit

A taxpayer who claimed an MTC or AMTC and who is aggrieved with the assessment issued may object to it. The objection must be in the prescribed form "Notice of Objection" (NOO) which can be obtained via eFiling or at a SARS Service Centre. The NOO, which states the grounds on which the objection is lodged, must reach the relevant SARS Service Centre where the taxpayer is on register for income tax within 80 business days after the date of the assessment or SARS decision.[53]

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[52] Section 29(3) of the TA Act.

[53] Section 104(5) of the TA Act, read with the Rules promulgated under section 103 of that Act (GN 3146 in *Government Gazette* 48188, dated 10 March 2023).

The relevant documentation as discussed in **4.1** must be submitted together with the objection. Further information regarding the objection and appeal procedure is available on the **SARS website** and is set out in the *Dispute Resolution Guide: Guide on the Rules Promulgated in Terms of Section 103 of the Tax Administration Act, 2011*.

7. Other information

7.1 Relief of customs and *ad valorem* excise duty on a motor vehicle adapted for a person with disability

The full customs or *ad valorem* excise duty on motor cars and other motor vehicles may, by specific permit, be claimed as a rebate under the conditions prescribed by the International Trade Administration Commission (imported vehicles) or SARS (locally manufactured vehicles), after consultation with the National Council for Persons with Physical Disabilities in South Africa. These vehicles, including station wagons (excluding racing cars) must be principally designed for the transport of persons and adapted or be adapted so that they can be driven solely by a person with a physical disability. The following conditions apply in this regard:

In respect of a motor car or other motor vehicle to be **driven** solely by persons with a physical disability:

(a) The adaptation of the motor vehicle must be of such a nature that the driver (with a physical disability) of the motor vehicle has easy access to all controls necessary to drive such a vehicle.

(b) Such permit may not be issued within three years of the issue of a previous permit to such person with a disability.

(c) Permits may, however, be issued within a shorter period provided that proof is submitted that the motor vehicle previously entered under rebate of duty was stolen or written off by the licensing authorities.

(d) If such vehicle is offered, advertised, lent, hired, leased, pledged, given away, exchanged, sold or otherwise disposed of within three years from the date of entry in terms of this item, such foregoing acts shall render the vehicle liable to the payment of duty on a *pro-rata* basis.

In respect of a motor car or other motor vehicle for the **transport** of persons with a physical disability:

(i) Such permit may only be issued to a person or organization who is registered to care for and to transport persons with a physical disability.

(ii) If such a motor vehicle is offered, advertised, lent, hired, leased, pledged, given away, exchanged, sold or otherwise disposed of within three years from the date of entry under this rebate item, such foregoing acts shall render such vehicle liable to the payment of duty on a *pro rata* basis.

The full rebate of either customs or *ad valorem* excise duty of such vehicles is regulated as follows:

(aa) Imported vehicles: Part 2 of Schedule 4 to the Customs and Excise Act 91 of 1964, rebate item 460.17, tariff heading 87.00 rebate code 04.02 (transport) and tariff heading 87.03 rebate code 02.04 (to be driven).

(bb) Locally manufactured vehicles: Part 2 of Schedule 6 to the Customs and Excise Act, rebate item 630.20 (transport) and 630.22 (to be driven).

Annexure A – The law

Section 6A of the Income Tax Act 58 of 1962

6A. Medical scheme fees tax credit—(1) In determining the normal tax payable by any natural person there must be deducted an amount, to be known as the medical scheme fees tax credit, equal to the sum of the amounts allowed to that natural person by way of rebates under subsection (2), subject to subsection (3A).

(2) (*a*) The medical scheme fees tax credit applies in respect of fees paid by the person to—

(i) a medical scheme registered under the Medical Schemes Act; or

(ii) a fund which is registered under any similar provision contained in the laws of any other country where the medical scheme is registered,

that relate to benefits from that fund in respect of that person or of any person that is a dependant of that person.

(*b*) The amount of the medical scheme fees tax credit must be—

(i) (*aa*) R364, in respect of benefits to the person, or if the person is not a member of a medical scheme or fund in respect of benefits to a dependant who is a member of a medical scheme or fund or a dependant of a member of a medical scheme or fund;

(*bb*) R728, in respect of benefits to the person, and one dependant; or

(*cc*) R728, in respect of benefits to two dependants; and

(ii) R246, in respect of benefits to each additional dependant,

for each month in that year of assessment in respect of which those fees are paid.

(3) For the purposes of this section, any amount contemplated in subsection (2) that has been paid by—

(*a*) the estate of a deceased person is deemed to have been paid by the person on the day before his or her death; or

(*b*) an employer of the person is, to the extent that the amount has been included in the income of that person as a taxable benefit in terms of the Seventh Schedule, deemed to have been paid by that person.

(3A) Where more than one person pays any fees in respect of benefits to a person or dependant, the amount allowed to be deducted in respect of the medical scheme fees tax credit under subsection (1) must be an amount that bears to the total amount in respect of that person or dependant contemplated in subsection 2(*b*) the same ratio as the amount of the fees paid by that person bears to the total amount of the fees payable.

(4) For the purposes of this section a **"dependant"** in relation to a person means a "dependant" as defined in section 6B(1).

(5) (*a*) The Minister may announce in the national annual budget contemplated in section 27(1) of the Public Finance Management Act, that, with effect from a date or dates mentioned in that announcement, the amounts allowed to the natural person by way of rebates under subsection (2) will be altered to the extent mentioned in the announcement.

(*b*) If the Minister makes an announcement of an alteration contemplated in paragraph (*a*), that alteration comes into effect on the date or dates determined by the Minister in that announcement and continues to apply for a period of 12 months from that date or those dates subject to Parliament passing legislation giving effect to that announcement within that period of 12 months.

Section 6B of the Income Tax Act 58 of 1962

6B. Additional medical expenses tax credit.—(1) For the purposes of this section—

"child" means a person's child or child of his or her spouse who was alive during any portion of the year of assessment, and who on the last day of the year of assessment—

(*a*) was unmarried and was not or would not, had he or she lived, have been—

(i) over the age of 18 years;

(ii) over the age of 21 years and was wholly or partially dependent for maintenance upon the person and has not become liable for the payment of normal tax in respect of such year; or

(iii) over the age of 26 years and was wholly or partially dependent for maintenance upon the person and has not become liable for the payment of normal tax in respect of such year and was a full-time student at an educational institution of a public character; or

(*b*) in the case of any other child, was incapacitated by a disability from maintaining himself or herself and was wholly or partially dependent for maintenance upon the person and has not become liable for the payment of normal tax in respect of that year;

"dependant" means—

(*a*) a person's spouse;

(*b*) a person's child and the child of his or her spouse;

(*c*) any other member of a person's family in respect of whom he or she is liable for family care and support; or

(*d*) any other person who is recognised as a dependant of that person in terms of the rules of a medical scheme or fund contemplated in section 6A(2)(*a*)(i) or (ii),

at the time the fees contemplated in section 6A(2)(*a*) were paid, the amounts contemplated in paragraph (*a*) and (*b*) of the definition of "qualifying medical expenses" were paid or the expenditure contemplated in paragraph (*c*) of that definition was incurred and paid;

"disability" means a moderate to severe limitation of any person's ability to function or perform daily activities as a result of a physical, sensory, communication, intellectual or mental impairment, if the limitation—

(*a*) has lasted or has a prognosis of lasting more than a year; and

(*b*) is diagnosed by a duly registered medical practitioner in accordance with criteria prescribed by the Commissioner;

"qualifying medical expenses" means—

(*a*) any amounts (other than amounts recoverable by a person or his or her spouse) which were paid by the person during the year of assessment to any duly registered—

(i) medical practitioner, dentist, optometrist, homeopath, naturopath, osteopath, herbalist, physiotherapist, chiropractor or orthopaedist for professional services rendered or medicines supplied to the person or any dependant of the person;

(ii) nursing home or hospital or any duly registered or enrolled nurse, midwife or nursing assistant (or to any nursing agency in respect of the services of such a nurse, midwife or nursing assistant) in respect of the illness or confinement of the person or any dependant of the person; or

(iii) pharmacist for medicines supplied on the prescription of any person mentioned in subparagraph (i) for the person or any dependant of the person;

(*b*) any amounts (other than amounts recoverable by a person or his or her spouse) which were paid by the person during the year of assessment in respect of expenditure incurred outside the Republic on services rendered or medicines supplied to the person or any dependant of the person, and which are substantially similar to the services and medicines contemplated in paragraph (*a*); and

(*c*) any expenditure that is prescribed by the Commissioner (other than expenditure recoverable by a person or his or her spouse) necessarily incurred and paid by the person during the year of assessment in consequence of any physical impairment or disability suffered by the person or any dependant of the person.

(2) In determining the normal tax payable by any natural person there must be deducted an amount, to be known as the additional medical scheme fees tax credit, equal to the sum of the amounts allowed to that natural person by way of rebates under subsection (3).

(3) The amount of the additional medical expenses tax credit must be—

(*a*) where the person is entitled to a rebate under section 6(2)(*b*), the aggregate of—

(i) 33,3 per cent of so much of the amount of the fees paid by the person to a medical scheme or fund contemplated in section 6A(2)(*a*) as exceeds three times the amount of the medical scheme fees tax credit to which that person is entitled under section 6A(2)(*b*); and

(ii) 33,3 per cent of the amount of qualifying medical expenses paid by the person;

(*b*) where the person, his or her spouse or his or her child is a person with a disability, the aggregate of—

(i) 33,3 per cent of so much of the amount of the fees paid by the person to a medical scheme or fund contemplated in section 6A(2)(*a*) as exceeds three times the amount of the medical scheme fees tax credit to which that person is entitled under section 6A(2)(*b*); and

(ii) 33,3 per cent of the amount of qualifying medical expenses paid by the person; or

(*c*) in any other case, if the aggregate of—

(i) the amount of the fees paid by the person to a medical scheme or fund contemplated in section 6A(2)(*a*) as exceeds four times the amount of the medical scheme fees tax credit to which that person is entitled under section 6A(2)(*b*); and

(ii) the amount of qualifying medical expenses paid by the person,

exceeds 7,5 per cent of the person's taxable income (excluding any retirement fund lump sum benefit, retirement fund lump sum withdrawal benefit and severance benefit), 25 per cent of the excess.

(4) For the purposes of this section, any amount contemplated in subsection (3) or the definition of "qualifying medical expenses" that has been paid by—

(*a*) the estate of a deceased person is deemed to have been paid by the person on the day before his or her death; or

(*b*) an employer of the person is, to the extent that the amount has been included in the income of that person as a taxable benefit in terms of the Seventh Schedule, deemed to have been paid by that person.

(5) (*a*) The Minister may announce in the national annual budget contemplated in section 27(1) of the Public Finance Management Act, that, with effect from a date or dates mentioned in that announcement, the amounts allowed to the natural person by way of rebates under subsection (3) will be altered to the extent mentioned in the announcement.

(*b*) If the Minister makes an announcement of an alteration contemplated in paragraph (*a*), that alteration comes into effect on the date or dates determined by the Minister in that announcement and continues to apply for a period of 12 months from that date or those dates subject to Parliament passing legislation giving effect to that announcement within that period of 12 months.

Annexure B – The prescribed list of expenditure

The prescribed list of expenditure[54] for purposes of paragraph (*c*) of the definition of "qualifying medical expenses" in section 6B(1) of the Act is set out below:

NATURE OF EXPENSE

A. PERSONAL CARE ATTENDANT EXPENSES

Expenditure prescribed by the Commissioner under this category is as follows:

1. A salary paid to a person who is employed solely to care and look after the needs of a person with a disability.

   Note:

   - However, if the person is employed on a fulltime basis to perform housekeeping activities, the salary paid to such person will not qualify.

2. Living-in expenses for a live-in personal care attendant, which is limited to the additional cost of electricity, water and food as a result of a live-in personal care attendant, is deemed to be 20% of the "national minimum wage" as defined in the National Minimum Wage Act 9 of 2018.

3. If more than one live-in personal care attendant is employed on a full time basis at the same time, the amount which can be claimed may not exceed 20% (per personal care attendant) of the "national minimum wage" as defined in the National Minimum Wage Act 9 of 2018.

   Note:

   - A "spouse" as defined in section 1(1) of the Act, and your or your spouse's parents or grandparents are not regarded as personal care attendants for the purposes of this list.
   - If the live-in personal care attendants alternate days, the living-in expenses are limited to one live-in personal care attendant.

4. Cost of training a personal care attendant or a family member to take care of a person with disability. This refers to relevant courses or training undergone by a personal care attendant or family member who will care for a person with a disability. The cost must be paid to a service provider that is in the business of providing such training.

5. Accommodation expenses paid for a personal care attendant for the purposes of training under A4 above or business and holiday travel of the person with a disability.

6. Accommodation expenses for the purposes of training referred to under A4 for a family member.

[54] Revised on 29 October 2021 and effective from 1 March 2020.

B. TRAVEL AND TRANSPORTATION

Expenditure prescribed by the Commissioner under this category is as follows:

1. Travelling expenses incurred and paid by the taxpayer to acquire qualifying goods or services under this list, including the maintenance of such goods.

2. Travelling expenses incurred and paid by the taxpayer for the purposes of training as contemplated under A4 of this list.

3. Transportation costs specifically incurred and paid in respect of a learner with a disability who attends a special education needs school or a mainstream school that caters for a child with a disability (under the circumstances referred to in F7 and F8) in instances where such school is not available within a 10 km radius from where the person lives. Please note that only the transportation costs in respect of kilometres exceeding the 10 km radius can be claimed.

4. Transportation costs incurred and paid to transport a person with a disability to and from home to a protective workshop, if the following conditions are met:
    - The person must, due to the nature of his or her disability, have no reasonable prospect of finding employment in the open labour market.
    - The person must need daily care and supervision.
    - The person must be a "child" as contemplated in section 6B(1) of the Act, who has a "disability" as defined in section 6B(1) of the Act.
    - The protective workshop must be a Public Benefit Organisation-approved workshop by SARS under section 30(3) of the Act.

    Note:

    - For purposes of this list, a crèche will not qualify as a protective workshop.

5. Transportation costs incurred and paid in respect of a personal care attendant while away from the primary residence of a person with a disability. For example, if the person with a disability is going away on business or on holiday accompanied by a personal care attendant, the actual cost of travel by air, train, bus or taxi, in respect of the personal care attendant, will be deductible.

    Note:

    - Where a taxpayer has used a private motor vehicle for transportation other than that which is listed under B5, and accurate records of qualifying kilometres are kept, SARS will accept the estimate of the expenses incurred by using the rate per kilometre prescribed by the Minister of Finance under paragraph 4 of the Income Tax Regulation titled "Fixing of Rate per Kilometre in respect of Motor Vehicles".
    - Travelling must be to the nearest place where the goods or services can be acquired, serviced or repaired.
    - Transportation costs incurred and paid in respect of transporting care attendants from home to work or *vice versa* do not qualify.

- Where you are using your own transport, for example, your car, plane or boat etc no expenses will be allowable in respect of B5.

C. INSURANCE, MAINTENANCE, REPAIRS AND SUPPLIES

Expenditure prescribed by the Commissioner under this category is:

Insurance, maintenance, repairs and supplies (including batteries), only in respect of qualifying goods that fall under this list.

Note:

- The qualifying goods insured must be specified in the insurance policy.

D. PROSTHETICS

Expenditure prescribed by the Commissioner under this category is:

Cost of prosthetic limbs (including custom-made braces for limbs and woven or elasticised stockings).

E. AIDS & OTHER DEVICES

Expenditure prescribed by the Commissioner under this category is as follows:

1. 50% of the cost of an air conditioner, heater, fan, and environment control system (computerised or electronic) to prevent hypothermia or hyperthermia for a person with spinal cord injury (termed as a paraplegic, quadriplegic or tetraplegic).

2. Computer devices and related equipment (for example, track ball) including the software to operate such devices, required by a person with a disability due to a moderate to severe impairment in hand function or visual ability.

3. Cell phone applications required by a person with a disability due to a moderate to severe impairment in visual or hearing ability (note that this excludes the actual cost of the cell phone).

4. Computer software or other electronic equipment required in order to convert printed material or image files into text, Braille, speech or any other accessible format, including peripheral equipment such as scanners and Braille printers.

5. Converted, printed and graphical material, including talking, Braille and large print textbooks and maps or drawings for a person with a disability.

6. Helmets (protective gear) used by persons with epilepsy to prevent injury, especially head injuries during seizures.

7. Home assistive tools (without which performing a task would not be possible) that enable a person with a disability to perform tasks of daily living.

   Examples:

   - Utensil hand-clip eating aid for persons who struggle to grasp and hold small utensils; reaching aids that assist a person to grasp hard-to-reach items more easily.
   - Adhesive bump dots used to differentiate settings on, for example, home appliances like an oven.

8. Magnification and image-enhancement devices that enable a person to read, such as optacons, large-screen computer monitors, magnifiers, video magnifiers, CCTV readers, video goggles, electronic magnifiers (that plug into a computer, monitor or TV) and telescopic spectacles.

9. Mobile ramps and tie-downs used to assist wheelchair users to move in and out of vehicles or buildings that have no ramps.

10. Mobility aids, including wheelchairs, wheelchair carriers, crutches and walking frames.

11. Bathroom aids to help a person in or out of a bath or shower or to get on or off a toilet.

12. Navigation aids, including white canes, sonic or obstacle learning (echolocation) devices and hand-held talking GPS devices and related software required by a person with a moderate to severe visual impairment.

13. Orthopaedic shoes, boots and inserts, including braces, as well as standard shoes and boots used by a person who walks with an unsteady gait when not using such aid.

14. Page-turning devices used to assist a person to turn the pages of a book or other bound document where the disability moderately or severely restricts their ability to use arms or hands.

15. Prescription spectacles and contact lenses will qualify to the extent that these amounts have not been recovered from a medical scheme.

16. Pressure care mattresses and body positioners to prevent pressure sores and correct postural alignment for persons with a spinal cord injury.

17. Signalling devices – emits light instead of sound (for example, light emitting doorbell).

18. Amplification, loop systems specifically designed to assist hearing and other assistive listening devices to be used by a person who has a hearing impairment (including related accessories).

19. Money templates used to differentiate between various denominations of notes and coins.

20. Speech-generating devices and communication boards that enable a person to communicate, including a relevant keyboard for a person with a moderate to severe speech impairment. Specialised anti-glare and flicker-free screens – for televisions and computers used by a person with photosensitive epilepsy to minimise exposure to seizures. This includes laryngectomy speaking valves and accessories.

21. Talking, sound-making and vibrating devices that enable a person to perform daily tasks. For example, talking calculators, adapted watches and clocks, shake awake alarms, talking kitchen scales, light detectors and liquid level indicators etc.

22. Seizure alert devices (for example, mattress sensor alarms, watch devices, anti-suffocation pillows, seizure alert cameras), excluding standard camera devices.

23. Teletypewriters or similar devices required by a person with a hearing impairment to make or receive phone calls where the impairment is moderate to severe.

24. Television closed-caption decoders or readers required by a person with a moderate to severe hearing or visual impairment.

25. Word-to-text devices – for a person with a disability that causes a moderate to severe impairment in hand functions; or visual or hearing impairments as experienced by some persons with Cerebral Palsy.

26. Toilet seats, bath seats, shower seats or commode chairs specially designed for use by persons with a physical disability.

27. Lifts to move persons with physical disabilities.

28. Grab rails or hoist placed in such a way as to aid a person with a physical disability.

29. Stair chairs specifically installed to aid a person with a physical disability.

Note:

- The cost of electricity needed to operate these devices will not be a qualifying expense.

F. SERVICES

Expenditure prescribed by the Commissioner under this category is as follows:

1. Deaf-blind intervening services.

2. Lip-speaker services.

3. Note-taking services, including real-time captioning.

4. Reading and navigation services.

5. Rehabilitative therapy to teach a person to function or perform basic daily activities (for example, how to use a wheelchair, dressing, grooming etc).

6. Sign-language interpretation services used by a person with a hearing impairment.

7. Special education schools for learners with disabilities. Qualifying expenses will include –
    - school assistant or classroom costs; and
    - school fees limited to the amount in excess of the fees that would have been payable if the person attended the closest fee-paying public school not specialising in learners with special educational needs.

8. School not specialising in learners with special educational needs, limited to additional expenses incurred and paid as a result of the disability.

9. Tutoring services used by a person with a disability, and which are supplementary to the primary education of a person with a learning disability or impairment in intellectual or mental functions, and paid to someone in the business of providing such services.

10. Special training services for a person with a disability – this category includes expenditure incurred and paid for specialised training provided to a person with a disability for rehabilitation purposes. This will include training to cope with the disability, how to use an assistive device or aid etc.

11. Motor vehicle driving services for a person with a disability.

12. The cost of adjustments to clothing in order to ensure ease of dressing.

Note:

- Only services that are acquired from an independent service provider, who is not a "connected person" (as defined in section 1(1) the Act) in relation to the taxpayer (unless the spouse or family member is in the business of providing such service), will qualify.

G. CONTINENCE PRODUCTS

Expenditure prescribed by the Commissioner under this category is as follows:

1. Catheters, catheter trays, tubing and associated products required for catheter use, as a concomitant to the disability.

2. Colostomy, urostomy, and ileostomy and colostomy products, and associated products and aids, as a concomitant to the disability.

3. Nappies, disposable briefs, pads, linen and mattress savers used by a person for the management of continence, as a concomitant to the disability.

4. Anal-irrigation kits (in respect of bowel management).

5. Disposable examination gloves or disposable sterile gloves used by a person in the management of continence, as a concomitant to the disability. Washable undergarments and other washable accessories used by a person in the management of continence, as a concomitant to the disability.

H. SERVICE ANIMALS

Expenditure prescribed by the Commissioner under this category is as follows:

1. The cost of an animal specifically trained to be used as an aid to perform daily functions.
2. The care and maintenance (including food and veterinary care) of such an animal.

I. ALTERATIONS OR MODIFICATIONS TO ASSETS ACQUIRED OR TO BE ACQUIRED

Expenditure prescribed by the Commissioner under this category is the cost of:

1. Buying and installing outdoor ramps to a person's residence where a stairway impedes the person's mobility with a physical disability.
2. Enlarging passage ways, bathrooms and doorways to give the person wheelchair-access to the various rooms of the residence.
3. Lowering existing kitchen or bathroom cabinets to give the person with a disability access to them.
4. Auxiliary driving controls to a motor vehicle that enable a person with a disability to operate the motor vehicle.
5. Modifying a motor vehicle to adapt it for transporting persons with a physical disability.
6. If you received the International Trade Administration Commission (ITAC) rebate on the fully imported modified motor vehicle, then no modification cost can be claimed. If you did not receive the ITAC rebate, only the ascertainable costs in respect of the modification of the motor vehicle are a qualifying expense under this list.

   Note:

   - If the vehicle is imported unmodified and modified only in South Africa, the taxpayer can claim the cost of the modification less the rebate.

7. Alarm systems – modifications to an alarm system to enable a person with a disability to use or operate it. For example, modifications to the alarm system to emit a red light instead of making a sound (used to warn a person with a hearing impairment that the alarm has been activated) will qualify.
8. The cost of automating doors and gates for a person with a physical disability.

   Note:

   - Renovation and construction expenses covered under I1 to I3 must be reasonable and meet the following conditions:
     - They would not typically increase the value of the asset.
     - They would not typically be incurred by persons who do not have a moderate to severe mobility impairment.

- Expenses are more likely to be considered reasonable if the materials used are similar to existing materials.

9. An amount paid by a taxpayer, who is a parent of a child with a physical disability, to make the school accessible to the child, for example, building a ramp (which the school could not afford to do). However, should the school issue a section 18A donation receipt in this regard, the amount will not be a qualifying disability expense under this list. The amount, for which the receipt was issued, can be claimed as a deduction against taxable income under the provisions of section 18A of the Act.